



# United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, DC 20240

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## Departmental of the Interior Guidance (DIG) Release 2014 - 04

**Subject:** Federal Spending Transparency: Subaward and Compensation Data Reporting

**References:** Federal Funding Accountability and Transparency Act of 2006, Public Law 109-282, as amended by Government Funding Transparency Act of 2008, Public Law 110-252;  
Interim Final Guidance for Requirements for Federal Funding Accountability and Transparency Act Implementation, 2 CFR Part 170;  
Final Guidance for Financial Assistance Use of Universal Identifier and Central Contractor Registration, 2 CFR Subtitle A, Chapter 1, Part 25; and  
505 DM 2, Procurement Contracts, Grant Agreements, and Cooperative Agreements

### 1. Purpose:

This DIG provides information on implementing new reporting requirements on first-tier subawards and executive compensation data for financial assistance, as required by the Federal Funding Accountability and Transparency Act of 2006 (Transparency Act) and Office of Management and Budget (OMB) guidance.

### 2. Effective Date:

Effective immediately upon signature.

### 3. Definitions:

- **Award:** For purposes of 2 CFR Part 170, means a grant or cooperative agreement. On future dates to be specified by OMB in policy memoranda available at the OMB Web site, award also will include other types of awards of Federal financial assistance subject to the Transparency Act, as defined in § 170.320. As specifically noted in this paragraph, it does not include technical assistance, which provides services in lieu of money, nor a transfer of title to federally owned property provided in lieu of money, even if the award is called a grant.
- **Executive:** Executive means officers, managing partners, or any other employees in management positions. There are no distinctions for public vs. private entities, or political vs. civil servant status. The key to reporting is whether or not the basic criteria are met (e.g., 80 percent of gross revenues from Federal funds, gross

revenues in excess of \$25 million, not already available via Securities and Exchange Commission (SEC) reporting, etc.).

- **Prime Recipient:** An entity that receives funds in the form of a grant, cooperative agreement, or loan directly from the Federal Government. Note: No definition was provided in either Federal Register Notice noted above for the other definitions. As such, this definition was derived from a similar use in Section 1512 of the American Recovery and Reinvestment Act of 2009 (Recovery Act), Public Law 111-5.
- **Subrecipient:** An entity that receives a subaward from the prime recipient under an award; and is accountable to the prime recipient for the use of the Federal funds provided by the subaward.
- **Subaward:** A legal instrument to provide support for the performance of any portion of the substantive project or program awarded to a prime recipient which the prime recipient awards to an eligible subrecipient. The term includes procurement of property and services needed to carry out the project or program. For grants, a “subaward” means a legal instrument to provide support for the performance of any portion of the substantive project or program awarded to the prime recipient which the prime recipient awards to an eligible subrecipient; or awarded by a subrecipient at one tier to a subrecipient at the next lower tier. The term does not include procurement of incidental property and services needed to carry out the award project or program.

#### **4. Background and Explanation:**

The Transparency Act requires OMB to establish a single searchable database, accessible to the public, of information on financial assistance awards made by Federal agencies. The Transparency Act also includes a requirement for recipients of Federal financial assistance to report information about first-tier subawards and executive compensation under Federal assistance awards. To fully implement the subaward reporting and executive compensation requirements of the Transparency Act, all recipients of applicable grants and cooperative agreements are required to report on all subawards over \$25,000 to the Federal Subaward Reporting System (FSRS), available at [www.FSRS.gov](http://www.FSRS.gov).

Additionally, certain recipients are required to report the total compensation of their five most highly-compensated executives as part of the registration profile in the System for Award Management (SAM). This requirement applies to all awardees that 1) received 80 percent or more of their annual gross revenues from Federal grants, contracts, subcontracts, and subawards; 2) received \$25,000,000 or more in annual gross revenues from Federal grants, contracts, subcontracts, and subawards; 3) had annual gross income from all sources of \$300,000 or more; and 4) the public does not have access to this



information through periodic reports filed under section 13(a) or 15(d) of the Securities and Exchange Act of 1934 or Section 6104 of the Internal Revenue Code of 1986. Recipients are also required to collect the names and total compensation of the five most highly compensated officers of all first-tier subrecipients receiving \$25,000 or more and meeting the four conditions enumerated above. Similar to the reporting of subaward information through FSRs, this information should be collected no later than the end of the month following the month the subaward was obligated.

Prime award recipient information and executive total compensation will be pre-populated from SAM. Prime recipients will be responsible for registering in FSRs to upload or enter their subaward data. If any of the data pre-populated from SAM is incorrect, the prime recipient will be able to red flag the data element and provide comments. Bureau/office staff will monitor FSRs to review red flags and comments to reconcile with Federal Assistance Award Data System (FAADS) data. The FSRs will not allow prime recipients or bureau/office staff to make modifications.

The following are not subject to Transparency Act reporting requirements:

- Grants and Cooperative Agreements, whether existing or new as of October 1, 2010, funded by appropriations made under the American Recovery and Reinvestment Act of 2009 (Recovery Act) (recipients of Recovery Act awards will continue to report those awards and related subawards through [FederalReporting.gov](http://FederalReporting.gov));
- Transfers of title of federally owned property between Federal agencies;
- Federal inter-agency transfers of award funds;
- Cooperative Research and Development Agreements, as defined under 15 U.S.C. 3710a;
- Federal awards to individuals who apply for or receive Federal awards as natural persons (i.e., unrelated to any business or non-profit organization he or she may own or operate in his or her name);
- Federal awards to entities with a gross income, from all sources, of less than \$300,000 in the previous tax year; and
- Federal awards, if the required reporting would disclose classified information.

## **5. Guidance and Actions Required:**

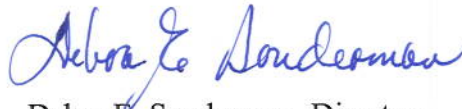
To increase transparency and provide the public access to DOI spending information through USASpending.gov, bureaus and offices are directed to:

- Require applicants and recipients of grants, cooperative agreements and all other types of financial assistance to obtain a Dun and Bradstreet (DUNS) Number and register in SAM; and maintain registration in SAM throughout the award period of performance (Note: The DUNS Number and SAM registration are not required for individuals who apply for and receive awards as natural persons.)
- Include information on DUNS Numbers and SAM registration in all Program Announcements and application instructions, and require the DUNS Number for the prime recipient to be identified in the application.
- Ensure prime recipients only make subawards to entities that have DUNS Numbers by requiring prime recipients to notify potential subrecipients of the DUNS Number requirement and/or provide the DUNS Number of the subrecipient in the application package.
- Ensure recipients of non-Recovery Act funded awards with an award date on or after October 1, 2010, that result in first-tier subawards and meet the criteria established Section 4 of this DIG, are reported in FSRS by the end of the month following the month in which the award obligation was made, and annually thereafter (e.g., an obligation made on 11/7/2010 must be reported by 12/31/2010).
- Ensure recipients and subrecipients disclose the names and total compensation of the five most highly compensated officers within the organization, as a part of their SAM registration profile, if in the preceding fiscal year the recipient and subrecipient received 80 percent or more in annual gross revenues in Federal awards; and received \$25,000,000 or more in annual gross revenues from Federal grants, contracts, subcontracts, and first-tier subawards made on or after October 1, 2010. If the prime recipient provides an FSRS red flag to correct executive compensation data, direct the recipient to SAM to revise profile information.
- Include standard award terms and conditions in agreements made on or after October 1, 2010, related to DUNS Numbers, SAM, and requirements for Transparency Act implementation (see attachment).

- Delegate staff to serve as the FSRS agency coordinator for the purpose of reviewing prime recipient flagged comments and coordinating corrections to bureau/office FAADS data.
- Immediately adopt the requirements for Transparency Act implementation issued by OMB on September 14, 2010 (see Interim Final Guidance, Federal Register Volume 75, No. 177, *Requirements for Federal Funding Accountability and Transparency Act Implementation* (2 CFR Part 170)), by incorporating the requirements shown in the attached DOI Standard Award Terms and Conditions. Inform recipients that these award terms and conditions must be incorporated into all agreements with first-tier subrecipients, when applicable.

**6. Additional Information:**

Please disseminate this DIG throughout your organizations. Questions regarding this DIG may be directed to Anita Hairston, Financial Assistance Program Manager, at (202) 513-0871 or via email at [anita\\_hairston@ios.doi.gov](mailto:anita_hairston@ios.doi.gov).



Debra E. Sonderman, Director  
Office of Acquisition and Property Management

Attachment: Standard Award Terms and Conditions  
for Reporting Subawards and Executive Compensation